TOWARDS A SUSTAINABLE DEVELOPMENT: THE CASE OF THE ANTOFAGASTA-CHILE REGION

WORKSHOP “ON MANAGING THE MINERAL WEALTH“

LONDON, AGOSTO 15-17, 2001
GENERAL PRESENTATION
OF THE ANTOFAGASTA REGION

- **POPULATION**: 470,000
- **SURFACE AREA**: 126,440 KM$^2$
- **DESERTE REGION (ATACAMA DESERT)**
- **CLIMATE EXTREMELY ARID**
- **DEMOGRAPHIC DENSITY**: 3 PERSONS PER KM$^2$
- **COAST**: 500 KM
- **URBAN POPULATION**: 97 %
SEGUNDA REGIÓN
ANTOFAGASTA
CHILE
ANTOFAGASTA: A THRIVING MINING REGION

- 7% OF THE G.D.P
- 60% OF THE REGIONAL G.D.P IS MINING
- WORLD LEADING PRODUCER OF COPPER, IODINE, LITHIUM CARBONATE, AND NITRATES
- ANNUAL EXPORTS: US$ 4 BILLION (30% OF CHILEN EXPORTS)
- RATE OF GROWTH OF REGIONAL P.I.B IN THE LAST DECADE: 9.7%.
- PROJECTED INVESTMENT 2000-2004: US$2.7 BILLION (US$ 2.5 BILLION IN MINING)
- MOST COMPETITIVE REGION IN CHILE
ANTOFAGASTA: A THRIVING MINING REGION

- POVERTY: 13.2% (NATIONALLY: 21.7%)
- THE RATE OF UNEMPLOYMENT IS LOWER THAN THE NATIONALLY LEVEL
- AVERAGE MONTHLY INCOME: US$ 550 (NATIONALLY: US$ 404)
- INCOME DISTRIBUTION: (GINI COEFF.) 0.53 (NATIONALLY: 0.58)
- INDEX OF WORKERS TECHNICAL TRAINING = 24.6% (NATIONALLY: 9.3%)
- RANKING 4TH AMONG THE 13 REGIONS OF THE COUNTRY IN TERMS OF HUMAN DEVELOPMENT
HOW DO WE EXPLAIN THIS ECONOMIC AND SOCIAL DYNAMISM?

- The annual average investment has been over US$ 700 million in the last ten years, mostly in the mining industry and particularly in the mining of copper.

- Model of chained mining development:
  - small industry
  - electric energy
  - natural gas
  - specialized services
ANTOFAGASTA: A THRIVING REGION ........ BUT, 

WITH A CRISIS IN THE FUTURE

- PRECARIOUS QUALITY OF LIFE
- CRISIS OF SUSTAINABILITY
PRECARIOUS QUALITY OF LIFE:

IN SPITE OF THE PROGRESS THERE ARE SERIOUS WEAKNESS IN:

– POOR QUALITY OF EDUCATION
– PRECARIOUS HEALTH SERVICES
– VERY INSUFFICIENT URBAN PAVING
– SHORTAGE AND POOR QUALITY OF HOUSING
– PRECARIOUS URBAN DEVELOPMENT
– WEAK REGIONAL IDENTITY
– “MINING CAMP” IMAGE OF THE CITIES
– BASIC NEEDS REQUIRE AN INVESTMENT OF US$ 800 MILLION. THE REGIONAL GOVERNMENT INVEST US$ 90 MILLION ANNUALLY
CRISIS OF SUSTAINABILITY

- NON-RENEWABLE MINING RESOURCES
- NON-RENEWABLE WATER RESOURCES
- WHAT IS GOING TO HAPPEN ONCE THE MINING AND WATER RESERVES ARE DEPLETED?
CONCLUSIONS

- THE CHALLENGE IS TO BUILD A BASIS FOR A SUSTAINABLE REGIONAL DEVELOPMENT

- TODAY’S EFFORTS ARE INSUFFICIENT

- SUSTAINABILITY REQUIRES THE STRENGTHENING OF CONTRIBUTION OF THE MINING PRODUCTIVE SECTOR

- INCREASING TAXES IS NOT OUR OPTION
¿WHAT TO DO?
OUR PROPOSAL:

■ STRATEGIC ALLIANCE BETWEEN THE PUBLIC SECTOR AND THE MINING PRODUCTIVE SECTOR FOR SUSTAINABLE DEVELOPMENT OF THE REGION
OUR PROPOSAL:

- THE CONTRIBUTION OF THE PUBLIC SECTOR TO THE STRATEGIC ALLIANCE:
  - STABLE AND CLEAR RULES
  - EFFICIENT ADMINISTRATION
  - COORDINATION WITH THE MINING PRODUCTIVE SECTOR
OUR PROPOSAL:

THE CONTRIBUTION OF THE MINING PRODUCTIVE SECTOR TO THE ALLIANCE

- EFFICIENT ADMINISTRATION
- CREATE AND ADMINISTER A REGIONAL SUSTAINABILITY FUND TO:
  » INVEST SOCIALLY, ESPECIALLY IN HUMAN CAPITAL
  » CONSOLIDATE A MINING-INDUSTRIAL AND SPECIALIZED SERVICES COMPLEX
THANK YOU
VERY MUCH